

Vehicle Import – SA

Who may import a used vehicle?

The criteria laid down by the South African government on who may import a used car would be as follows:

- Returning RSA citizens (must have worked/studied in the foreign country)
- People immigrating to South Africa

Should you live in South Africa you can only import a used vehicle if the vehicle can be classified as a:

- Collectors car
- Vintage/veteran vehicle
- If the car has an inheritance

Please work through the Import Permit Categories seen below for complete information.

If you do not comply with the above mentioned criteria, it would be illegal to import a used vehicle!

The reason for the strict rules is because the South African government want to protect the South African car market against a possible flood of cheap used cars from abroad, which could result in the collapse of the car market.

A guide to importing private motor vehicles into South Africa

Very strict rules apply to the importation of **motor vehicles (including motor cycles)** into South Africa and it is imperative that an Import Permit (from the Department of Trade and Industry) and a letter of Authority (from the South African Bureau of Standards), are obtained prior to shipment.

Only one motor car or motorbike is allowed per family and this must be have been used at least 1 year prior to shipment to South Africa i.e. it must have been registered in the shippers name for at least 1 year.

First time immigrants wishing to import a motor vehicle must have permanent residence in South Africa otherwise 50% of the purchase price will have to be lodged by the importer with SA Customs, pending permanent residence being approved. An import permit and letter of authority is required prior to arrival of the vessel. Purchase documentation (invoices) and insurance certification must be produced for validation of ownership and charges. In the event of purchase documentation not being available, 3 valuations must be provided. Customs will look at the purchase price/valuations and check to see if the market value is in line with the market value in South Africa. The exchange rates to the foreign currency will be applied on date of shipment and then 10% will be added to the value. Based on the new inflated value, 14% VAT is raised and charged. The motor vehicle must also have been used and owned for no less than 1 year and may not be sold or disposed of for two years. Customs will examine the motor vehicle and charge customs examination fees.

For **returning residents**, full taxes and duties will be applicable unless the persons concerned can satisfy the SA Customs that when they originally left South Africa they had no intention of ever returning. People leaving South Africa on temporary work contract, extended holidays etc. are not allowed duty-free importation of a motor vehicle. In this case, the import will attract approximately 65% duty on the inflated value of the vehicle. Thereafter the requirements and rules are the same as for an immigrant above.

Temporary Residents. A provisional payment can be lodged with Customs to cover full duties and taxes. Thereafter every 6 months a request to extend the period must be lodged with Customs. The provisional payment is refunded approximately 6 months after the vehicle leaves South Africa or when permanent residence in South Africa is obtained and the Import Permit, SABS purchase invoice and the registration papers are presented and the customs entry has been finalized.

Alternatively the motor vehicle can enter South Africa under a Carnet de Passage issued by the Automobile Association, which must be issued prior to shipment. A Carnet de Passage is valid for one year. Neither an Import Permit nor the SABS are required if the Carnet de Passage is required.

For **Foreign Diplomats**, the Diplomatic Certificate for motor vehicles must be completed and signed by the local embassy or consulate and countersigned by the South African Department of Foreign Affairs. Proof of value must be produced. Neither an Import Permit nor the SABS is required if the endorsed Diplomatic 'Certificate A' is presented.

Inheritance. If the motor vehicle is inherited, the heir must possess a certified copy of the last will and testament wherein the specific items are bequeathed, a copy of the death certificate, an import permit and letter of authority from the SABS. The motor vehicle may then be imported subject to payment of import duty and tax.

Permanent importation of vehicles into South Africa

1. Motor Cars (new or used)

a.) Import duty and tax

*Customs duty = 36% (motor cars more than 20 years old are subject to 20% customs duty).

*Ad Valorem customs duty (based on a sliding scale depending on the value of the vehicle, with a minimum of 0.75% and a maximum of 20%).

*Value-added tax (VAT) = 14 %

As an example, the cumulative taxes and duties payable on the car with a value of approximately R200 000 are +-70% of the market value. All vehicles with a market value for ad valorem customs duty purposes of less than R130 000 do not pay ad valorem customs duty on importation into South Africa.

If the original purchase invoice is not available, 3 written valuations must be obtained from motor car dealers in the country of export to assist the customs clearance process in South Africa.

b.) Import Permit

All used motor vehicles are subject to the production of an Import Permit that must be obtained prior to the vehicle being shipped to South Africa.

Please note – import permits are only forwarded to South African addresses.

c.) Letter of Authority

All new and used motor vehicles being imported into South Africa are also subject to the production of a Letter of Authority.

Your attention is drawn to the fact that the importation of left-handed drive vehicles is generally prohibited if registered in the name of an importer on or after 1 January 2000 unless authorised by the SABS.

2. Rebate of Duties

In terms of Item 407.04 of Schedule number 4 to the Customs and Excise Act –

- Immigrants and
- South African residents who originally immigrated from the Republic obtained permanent resident status abroad, and thereafter return,

Being natural persons, may after obtaining permanent residence in South Africa/return to South Africa permanently, import ONE MOTOR VEHICLE PER FAMILY under full rebate of customs duties for his/her own personal use, provided that the vehicle so imported was the personal property of the importer, and was owned and used by him/her for a period of not less than 12 months prior to the Importer's departure for the South Africa.

South African Residents, please note that unless you comply with all three elements, i.e:

01. you originally emigrated from the South Africa;
02. you obtained permanent residents status abroad; and
03. you again return to the South Africa permanently,

you do not qualify for the rebate of duty.

Note: should the vehicle have been owned and used for a period of less than 12 months prior to departure, the amount of duty rebated will be reduced pro-rata, according to the number of days less than 12 months.

3. Specific Exclusions

Please note that the following persons do not qualify for the rebate:

- South African Citizens travelling abroad;
- South African citizens taking up temporary residence in a foreign country, irrespective of the period involved, i.e. for study, work permit, contract work etc.; and

- Foreign nationals taking up temporary residence in South Africa.

For any period that a vehicle may be registered in a company's name during the 12 months period prior to shipment, the rebate will be reduced on a pro rata basis.

4. Documents to be produced

In support of the clearance of the vehicle in South Africa, the following documentation must be produced to your clearing agents/Customs –

- * Immigrants must produce their permanent residence permit issued by the department of Home Affairs (or a copy thereof)
- *Returning South Africans must produce proof of emigration from the republic, proof of permanent residence obtained abroad as well as evidence that such permanent residence has been withdrawn
- *A duly completed form Da 304 A
- *Purchase documents
- *Registration certificate/permit
- *Documentary evidence of the date on which delivery of the vehicle was taken
- * Documentary evidence of the date on which the vehicle was handed to the shipper for shipment to South Africa
- *An import permit (used vehicles); and
- *An original Letter of Authority (all vehicles)

5. Additional Information

A vehicle shall not be deemed to be personally owned and used by an importer unless such importer was at all reasonable times personally present at the place where the vehicle was used. The period of use is deemed to be from the date on which the vehicle was registered in the name of the importer (whichever was the latter), until the date on which the vehicle was delivered by the importer to the shipper or the agent for the purpose of shipment or dispatch to South Africa.

Vehicles imported under the provisions of item 407.04 may not be offered, advertised, lent, hired, leased, pledged, given away, exchanged, sold or otherwise disposed of within a period of 20 months from the date of it being cleared for Customs purposes in South Africa. Prior permission must be obtained, should an importer wish to dispose of the vehicle within the 20 month period after the date of clearance.

For the purposes of item 407.04, during the initial period of 20 months after the date of clearance in South Africa, an importer shall, if he or she is absent for a continuous period of longer than 3 months from the place where the vehicle is usually used in South Africa, be deemed not to have imported the vehicle for his/her own personal use, and the duty determined by the Commissioner for the South African Revenue Service shall be payable as from the date of such absence.

6. Important notice

Due to the fact that the provisions of the rebate item and the rate of VAT may be subject to change and also to avoid any misunderstandings regarding the provisions of the rebate item, you are advised to confirm the above information prior to deciding to ship a vehicle to South Africa.

This information is not definitive and is intended as a guide only. Destination regulations can change without notice and for specific guidance we strongly recommend that you obtain direct rulings from the relevant authority. Further information can be obtained from the South African Revenue Service website: www.sars.gov.za

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